

March 2001 Highlights

March 2001 was only the third time since the Department of Community Affairs began publishing the *CONSTRUCTION REPORTER* more than five years ago that the estimated cost of construction authorized by building permits exceeded \$1 billion. In fact, the \$1,047.4 million in estimated construction costs authorized in March was the highest monthly total reported thus far. Work on residential structures accounted for \$407.4 million or 38.9 percent of this total. Nonresidential activity amounted to \$639.9 million (61.1 percent); 498 municipalities reported.

The City of Rahway in Union County led all municipalities with \$75 million in March. Most of this (\$71 million) was for an addition and alteration to an existing office building for a large pharmaceutical firm. Atlantic City in Atlantic County reported \$48.5 million in construction. Back in December 2000, work began on a large casino/hotel. The permit for the hotel accounted for the most work authorized by a single permit. When complete, the hotel will have more than 2,000 rooms and will be the largest hotel in the country outside Las Vegas. In March, the Atlantic City construction office issued a permit for a \$46.6-million, multistory parking garage to the casino/hotel development. Englewood Cliffs Borough in Bergen County had \$35.1 million of construction. Nearly all of this was for a three-office building complex for a national television broadcasting network. Princeton Township in Mercer County had \$33 million of construction, most of which was for an office building for Princeton University.

First Quarter 2001

Over the past decade, most of the major construction indicators reached high levels in 1999 and 2000. In the first three months of 2001, all major indicators except for the number of new housing units authorized by building permits have exceeded levels reported for the first quarters of 1999 and 2000. The number of new houses is down by 12 percent, nearly 1,000 units, compared to the same time last year. The estimated cost of all residential and nonresidential activity, however, is up by 17.8 percent; new office and retail space exceeds last year's level by 34.5 percent and 24.8 percent, respectively.

Major Construction Indicators				
	Estimated Cost of Construction	Authorized Housing Units	Authorized Office Space (square feet)	Authorized Retail Space (square feet)
First Quarter 1999	\$2,283,352,111	7,193	2,128,718	1,404,109
First Quarter 2000	\$2,287,380,131	8,692	3,174,775	1,218,049
First Quarter 2001	\$2,693,697,622	7,649	4,270,828	1,520,020
Percent Change				
First Quarter 1999 vs. First Quarter 2000	0.2%	20.8%	49.1%	-13.3%
First Quarter 2000 vs. First Quarter 2001	17.8%	-12.0%	34.5%	24.8%
Source: N.J. Department of Community Affairs, 5/8/01				

New House Prices

The price of a new house in New Jersey continues to spiral up, according to quarterly statistics provided by companies responsible for selling new home warranties. Most new houses in the State are required to have a new home warranty. The exceptions are rental units and new houses where the homeowners acted as their own general contractor. The median sales price of the 4,262 new homes that were completed in the first quarter of 2001, were occupied, and began enrollment in a new home warranty program was \$242,900. This was 3 percent higher than the median sales price for the previous quarter. The most expensive new housing was in Bergen and Somerset Counties. Bergen County had 169 new houses that began enrollment during the first quarter of 2001. The average sales price of these houses was \$630,250, while the median sales price was \$510,000. Somerset County had 200 new houses that began enrollment in a homeowner warranty program during this time. The average sales price of these houses was \$515,750, while the median price was \$555,710. Cumberland County had the least expensive housing. Only 35 new houses began enrollment in a warranty program in the first quarter. The median sales price of these houses was \$125,000, while the average sales price was \$143,785.

New House Prices			
Period	Number of New Houses	Median Sales Price	Percent Change
1996	20,903	\$183,300	
1997	21,640	\$190,000	3.7%
1998	23,884	\$209,980	10.5%
1999	24,479	\$224,496	6.9%
2000	25,058	\$231,728	3.2%
First Quarter 2000	5,785	\$219,900	
Second Quarter 2000	6,417	\$233,300	6.1%
Third Quarter 2000	6,550	\$236,392	1.3%
Fourth Quarter 2000	6,306	\$235,900	-0.2%
First Quarter 2001	4,262	\$242,900	3.0%
Source: N.J. Department of Community Affairs, 5/8/01			